

# FAR Implementation, Part 19

---

- ✓ Case # 97-307 FAC # 97-10
- ✓ Published 12/18/98
- ✓ Interim Rule
- ✓ Effective: 1/4/99
- ✓ Comment Period: 60 days - 2/16/99
- ✓ Final Rule Issued 9/24/99,  
effective 11/23/99



# Sec. 19.1303 Status as a Qualified HUBZone SBC



- ✓ HUBZone status determined by SBA
- ✓ List of qualified firms on the SBA  
HUBZone web site
- ✓ Joint ventures eligible if with HUB, 8(a),  
WOB
- ✓ Non-manufacturers must furnish the  
product of a HUBZone SB manufacturer  
*(will be updated by FAR Council)*

# Sec. 19.1304 Exclusions

---

- ✓ In addition to the SBA Rule the following are excluded from HUBZone consideration
  - orders under existing indefinite delivery contracts
  - orders against Federal Supply schedules
  - requirements for commissary or exchange resale items



# Sec. 19.1305(a) HUBZone Set-Aside Procedures



- ✓ First paragraph, first sentence:
  - A participating contracting officer **shall** set aside acquisitions exceeding the Simplified Acquisition Threshold for competition restricted to HUBZone small business concerns...
  - HUBZone set-asides shall be considered before HUBZone sole-source awards or small business set-asides

# Sec. 19.1305 HUBZone Set-Aside Procedures



- ✓ CO *may* set-aside acquisitions exceeding the Micro Purchase Threshold (\$2,500) and below the Simplified Acquisition Threshold (\$100K)
- ✓ SBA can appeal of CO decision not to set-aside a requirement over \$100K:
  - PCR launches process

# Sec.19.1305 HUBZone

## Set-Aside Procedures (cont'd)

---

- SBA must Notify CO within 5 Working days of notice of rejection
- CO will suspend action
- within 15 days of SBA notification, SBA shall file a formal appeal with the HCA
- HCA will reply to SBA within 15 days with a Final Decision



# Sec.19.1306 HUBZone Sole Source Awards

---

- ✓ Only one HUBZone SB available
- ✓ Requirement **not currently** being performed by a non-HUBZone SB
- ✓ HUBZone SBC must be a responsible contractor - price must be fair/reasonable
- ✓ Anticipated price of contract (including options) is less than:
  - \$5 M - manufacturing, or
  - \$3M - all other industries



# Sec. 19.1307 Price Evaluation Preference for HUBZone SBCs

- ✓ Full and open competition
- ✓ Not used when:
  - acquisition is less than or equal to the SAT (\$100K)
  - Price is not a selection factor
  - All fair/reasonable prices are accepted (multiple award schedule contracts)



# Sec. 19.1307 Price Evaluation Preference (cont'd)

---

✓ 10% factor applied to all offers except offers from:

- HUBZone small businesses
- Small Businesses
- Offers under Trade Agreements and international trade MOUs



# Sec. 19.1307 Price Evaluation Preference (cont'd)

---

- ✓ Preference shall be applied to the **base offer**:
  - on a line item basis or
  - any group of items on which award may be made



## Sec. 19.307(a)(1) Contract Clauses

---

### ✓ 52.219-1 Small Business Representation

- HUBZone SB
- Firm is on the list of qualified firms
- No material change has taken place in terms of ownership or employee percentage since SBA certification



# Sec. 19.1308(a) Contract Clauses

---

## ✓ 52.219-3 Notice of Total HUBZone Set-Aside

- firm will meet performance percentage requirement
- HUBZone joint ventures subject to the same percentage requirements
- HUBZone non-manufacturers must supply the product of a HUBZone SB manufacturing firm (*this will change with FAR update*)



# Sec. 19.1308(b) Contract Clauses

---

## ✓ 52.219-4 Notice of Price Evaluation Preference for HUBZone Small Business Concerns

- Offers will be evaluated by adding a factor of 10% to the **base offer price** of all offers except as previously noted (HUBZone SBs and SBs)



# Sec. 19.708(a) Contract Clauses

---

## ✓ 52.219-8 Utilization of Small Business Concerns

- Inclusion of HUBZone SBCs is Federal agency policy to provide maximum practical opportunity for contract participation
- Prime contractors may rely upon HUBZone self certification



# FAR on protesting HUB status

---

## ✓ Section 19.306 (c) (e) (k)



- All protest in writing
- Offeror must submit protest to the CO
- All protests must be submitted to the AA/HUB
- AA/HUB will notify the CO and the protestor of the date the protest was received and whether the protest will be processed or dismissed for timeliness or lack of specificity
- Appeal decision by the ADA GC/BD: 5 days